



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Rejecting the Low Bid and Awarding the Contract for the Acceptance Testing and Commissioning of the Killelea Substation Rehabilitation Project to Power Testing & Energization, Inc. of Vancouver, Washington, and Authorizing the City Manager to Approve Change Orders up to \$30,000 (\$148,592) (EUD)

MEETING DATE: February 20, 2008

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution rejecting the low bid, awarding the contract to the next lowest responsible bidder for the acceptance testing and commissioning of the Killelea Substation Rehabilitation Project to Power Testing & Energization, Inc. of Vancouver, Washington, and authorizing the City Manager to approve change orders up to \$30,000.

BACKGROUND INFORMATION: The rehabilitation of the Killelea Substation is currently ongoing. The project includes the modification of the existing 60kV system, installation of new 12kV switchgear, construction of new control building, installation of updated communications and security systems, and expansion of the substation facility itself. Rosendin Electric, Inc. (Rosendin) is the general contractor for this project. Siemens Power Transmission & Distribution (Siemens) is the supplier for the 12kV switchgear and the remote terminal communications unit (RTU).

According to Rosendin's latest project schedule, the final Acceptance Testing and Commissioning activities for the rehabilitated substation systems/equipment will begin in mid-March 2008. This task is the City of Lodi's responsibility. This task will cover the installation of one 60kV disconnect switch, 12kV switchgear, RTU and communication systems, security systems, control building electrical systems, protection systems, and the control and auxiliary systems. The Acceptance Testing and Commissioning task will also include the maintenance, repair and overhauling of the existing two (2) power transformers and two (2) 60kV circuit breakers. Acceptance testing demands a very detailed inspection, adjustments and confirmation that all power equipment is in excellent working condition and all systems are functioning correctly and safely before final substation operations. As noted earlier, this work is the Electric Utility Department's (EUD) responsibility and is planned to occur approximately four to five weeks prior to the actual energizing of the substation facility, which is scheduled on May 1, 2008.

On January 16, 2008, City Council authorized a request for proposal (RFP) to perform acceptance testing and commissioning of the Killelea Substation Rehabilitation Project. The estimated budget was \$175,000. Accordingly, EUD prepared a detailed technical specification and scope of work for Testing and Commissioning to the above Project, and on January 31, 2008 the specification and the scope of work was released for price quotes.

APPROVED: _____
Blair King, City Manager

Electric Utility Department (EUD) received price quotations from two professional testing firms:

1. Power Testing and Energization of Vancouver, WA provided its price quotation including: project approach, project team and resumes, qualifications and project experience, and work plan. Their price quotation is \$148,592. This price does not include the price of material for replacement/maintenance of the two (2) power transformers and two (2) 60kV circuit breakers. These materials are to be identified during the maintenance of the equipment. Power Testing and Energization shall bring with it a standard kit of material for maintenance of the above mentioned equipment. Also, during the maintenance period, the firm shall identify the materials needed to be replaced, and replace them from the supply of material they bring to Lodi. EUD shall only be charged for materials actually required. The estimated cost of these materials is up to \$30,000 based on EUD's prior experience with similar work at other substations.

2. Power and Testing Company of Fresno, CA provided a price quotation of \$70,000. This bid was only for the acceptance testing and commissioning elements of the scope of work and did not include a price for overhaul of the Killelea transformers and 60KV circuit breakers. The bid was also submitted without detail on project approach, project team and resumes, qualification and project experience, and work plan. As a result, this bid does not comply with the specification and scope of work.

Summary: Staff recommends rejection of the bid by Power Testing Company, since it is incomplete and to instead award the work to Power Testing and Energization. The Power Testing and Energization bid complies with the bid specification and scope of work and the price is reasonable for the intended work. The company has significant experience in testing and commissioning of electrical power system projects, from low voltage up to extra high voltage in general and in substation projects in particular. Past work by the contractor for EUD has been favorable.

FISCAL IMPACT: The bid price of the Killelea Substation Rehabilitation Project acceptance testing and commissioning is \$148,592 plus up to \$30,000 for needed parts/materials.

FUNDING: Transfer of funds from unencumbered bond proceeds (Electric Utility Department 2002 Certificate of Participation Series A) to Account No. 161677.

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

PREPARED BY: Weldat Haile, Senior Power Engineer

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL REJECTING THE LOW BID AND
AWARDING THE CONTRACT FOR THE ACCEPTANCE TESTING AND
COMMISSIONING OF THE KILLELEA SUBSTATION REHABILITATION PROJECT
TO POWER TESTING & ENERGIZATION, INC. OF VANCOUVER, WASHINGTON,
AUTHORIZING THE CITY MANAGER TO APPROVE CHANGE ORDERS UP TO
\$30,000

WHEREAS, in answer to the request for proposal that was duly approved by the City Council on January 16, 2008, proposals were received and opened on February 5, 2008 at 5:00 p.m. for the acceptance testing and commissioning of the Killelea Substation Rehabilitation Project; and

WHEREAS, said proposals have been compared and checked and a report thereof filed with the City Manager as follows:

Power & Testing Company, Fresno, CA	\$ 70,000
Power Testing & Energization, Inc., Vancouver, WA	\$148,592

WHEREAS, staff recommends that the City Council reject the low bid for non-compliance with the request for proposal scope of work and further recommends awarding the contract to Power Testing & Energization, Inc. of Vancouver, Washington in the amount of \$148,592.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby rejects the low bidder, Power & Testing Company of Fresno, California due to non-compliance with the request for proposal scope of work; and

BE IT FURTHER RESOLVED, that the award of the bid for the acceptance testing and commissioning of the Killelea Substation Rehabilitation Project for the Electric Utility Department be and the same is hereby awarded to Power Testing & Energization, Inc. of Vancouver, Washington in the amount of \$148,592;

BE IT FURTHER RESOLVED, that the City Manager be authorized to approve change orders up to \$30,000 for the acceptance testing and commissioning of the Killelea Substation Rehabilitation Project for the Electric Utility Department.

Dated: February 20, 2008

I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 20, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____